Low Carbon Fuel Standard
Statement of Principles

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Principle #1

- **LCFS must ensure development and deployment of advanced, clean, ultra-low carbon fuels for the long term**
  - Not just those fuels commercially available today, but new lower GHG fuels
  - Fuels must be in widespread commercial use by 2020 to lay foundation for 2050 goals
  - Significant part of compliance path in early years
  - Suppliers shouldn’t be able to comply solely by buying credits
Principle #2

- **LCFS should strive to exceed the 10 percent by 2020 goal**
  - Governor’s executive order stated 10% is a minimum threshold
  - Given difficulty in meeting 2020 and 2050 GHG goals, and likely pressure on transportation, ARB should strive for more than 10% if technically and economically feasible.
Principle #3

- LCFS must utilize best available science to estimate full GHG life cycle emissions, including emissions from direct and indirect land use conversion on a global scale
  - Accounting on full lifecycle basis
  - Use best data available on indirect land use
Principle #4

- **LCFS must ensure environmental sustainability**
  - As required by AB 32, LCFS design must protect against fuels that
    - Are produced in unsustainable manner
    - Endanger air quality, biodiversity, wildlife habitat, sensitive lands, soil health, water quality, water consumption and food security in California or other parts of the world
Principle #5

- **LCFS must protect air quality**
  - Should complement, not interfere with air quality standards and efforts to reduce toxic air contaminants
  - Should not hinder more stringent regulations that protect public health
  - Should encourage those fuels that provide air pollution co-benefits
Principle #6

- **LCFS must prevent environmental justice impacts**
  - As required by AB 32, LCFS must prevent disproportionate impacts on communities already disproportionately affected
  - Should not contribute to “hot spots” of either criteria air pollution or air toxics throughout the fuels lifecycle
  - Evaluate and minimize food supply impacts
Principle #7

- **LCFS design must incorporate the precautionary principle**
  - Take preventive regulatory action in the face of uncertainty
  - Shift the burden of proof to industry proponents of an activity or opponents of a proscribed regulatory action;
  - Explore a wide range of alternatives to possibly harmful actions encountered during any phase of the life cycle
  - Especially as it relates to indirect land use
Principle #8

- **Promote fuel diversity through a broad portfolio of low carbon fuels**
  - protect our economy from volatile fuel prices
  - lessen the environmental and health effects associated with the production and refining of gasoline and diesel fuel
  - Biofuels, electricity, hydrogen and natural gas are all needed
  - Consider incentives to fuels and infrastructure meeting specified criteria. All fuels are not “created equally”
Principle #9

- LCFS design must provide regulatory stability
  - Ensure stable and predictable investment environment
  - Future program progress reviews at specified intervals to ensure stable and predictable regulatory environment